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Federal Communications Commission
Office of the Secretary

November 27, 2007



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Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

ORIGINAL

Re: Petitions of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Boston, New York, Philadelphia, Pittsburgh, Providence and Virginia Beach Metropolitan Statistical Areas, WC Docket No. 06-172

Dear Ms. Dortch:

Yesterday, Susanne Guyer, Ed Shakin, and Dee May of Verizon and Evan Leo of Kellogg, Huber, Hansen, Todd, Evans and Figel on behalf of Verizon met with Dana Shaffer, Nick Alexander, Marcus Maher, Don Stockdale, Christi Shewman, Jeremy Miller, and Tim Stelzig of the Wireline Competition Bureau to discuss the above referenced petitions.

Verizon, excluding the highly confidential data, reviewed the facts submitted in its November 16, 2007 filing in this docket. Also discussed were the attachments which support Verizon's position that relief is warranted in these MSAs.

If you have any questions, please let me know.

Sincerely,

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Attachments

cc: Nick Alexander
Jeremy Miller
Marcus Maher
Dana Shaffer

Christi Shewman
Tim Stelzig
Donald Stockdale

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In these six MSAs, competition is more advanced than it was in Omaha with respect to both mass-market and enterprise customers.

- The number of switched access lines in all of these MSAs have declined significantly from 2000 – 2006: [Begin Confidential]

[End Confidential]. See "Jaws Chart".

- Competitors have obtained a significant share of mass market voice connections – between [Begin Confidential] [End Confidential] in each of the six MSAs (number of competitive voice connection assumes only wireless customers that have "cut the cord"). See "Bar Chart"
- The decline in Verizon's actual switched access lines as compared to the level that would be expected given historical trends is [Begin Confidential]

[End Confidential]. See "Jaws Chart."

Mass Market Competition from Cable

- In each of the six MSAs, one or more of the major incumbent cable operators continues to serve the vast majority of the homes in the MSA. The percentage of Verizon wire centers in each MSA with cable residential E911 listings: [Begin Confidential]

[End Confidential].

- Cable's penetration is increasing dramatically, for example in just one year (2005 to 2006), cable residential listings increased [Begin Confidential] [End Confidential] in New York, [Begin Confidential] [End Confidential] in Boston and [Begin Confidential] [End Confidential] in Philadelphia (E911 data not complete for other MSAs).

Enterprise Competition

- The major cable operators in the six MSAs offer service to business customers. The percentage of wire centers in each MSA with cable business E911 listings: [Begin Confidential]

[End Confidential].

- The CLECs themselves admit they serve a significant number of wire centers within the MSAs. For example, in New York XO is competing in 39% of wire centers; in Boston, One Communication is competing in 40% of wire centers; in Philadelphia Cavalier competes in 49% of wire centers; in Pittsburgh, One Communications competes in 37% of wire centers; in Providence, One Communications competes in 49% of wire centers and in Virginia Beach, Cavalier competes in 46% of wire centers.
- While some CLECs rely almost exclusively on UNEs, most carriers use Verizon's special access and/or Wholesale Advantage services to compete. Within all six MSAs, [Begin Confidential] [End Confidential] of all DS1 circuits are provided as special access and [Begin Confidential] [End Confidential] of all DS3 circuits are provided as special access. Over [Begin Confidential] [End Confidential] of all DS0 circuits are provided via special access or via commercial agreements (Wholesale Advantage), not as UNEs.
- Competitors have deployed extensive fiber transport networks and connect their facilities directly to buildings in each of the MSAs. For example, in New York, at least [Begin Confidential] [End Confidential] carriers operate fiber facilities stretching almost [Begin Confidential] [End Confidential] miles and at least [Begin Confidential] [End Confidential] carriers connect directly to almost [Begin Confidential] [End Confidential] buildings encompassing over [Begin Confidential] [End Confidential] circuits.

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ATTACHMENT B

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Decrease in Wireline Access Lines by MSA

[Redacted]

Verizon Wireline Access Lines Constitute a Small Share of Voice Connections

[Redacted]